As an outcome of rigorous follow up with all the stakeholders, capcity to the tune of 7683 MW has been commissioned during 2007-08 (as on 22.2.2008) and projects aggregating 61,725 MW have been brought to the construction stage by the end of first year (as on 22.2.2008) of the 11th Plan so far which is over three times the projects that were under construction during the first year of 10th Plan.

Concessions to small power units

1022. SHRIMATI N.P. DURGA: Will the Minister of POWER be pleased to state:

(a) what concessions Government is proposing to small power units generating 25 MW of power;

(b) how the proposed move would help in augmenting power generation capacities, provide level-playing field for small and medium size companies, reduce electricity tariff, etc.,

(c) whether any tax holiday is proposed for the promoters of such units; and

(d) if so, the details thereof?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) to (d) Ministry of New and Renewable Sources of Energy, which is the nodal Ministry for matters relating to hydel projects of and below 25 MW capacity and also other grid-interactive renewable power projects, has informed that concessions are being provided through a mix of fiscal and financial incentives that include capital/interest subsidy, accelerated depreciation, nil/ concessional excise and customs duties. Further, as applicable to all new infrastructure projects, profits earned from sale of renewable power are exempt from Income Tax for any 10 years out of the first 15 years of operation of the projects. In addition, preferential tariff for grid-interactive renewable power is being given in most potential States. These concessions and fiscal benefits improve viability of small power projects and also encourage many developers to set up power projects to supply power to the grid.

Boosting the Hydro-Power Development

1023. SHRI B.J. PANDA: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that Government proposes to take a number of initiatives, including hydro-development fund, to woo the investors to boost hydro-power development;

(b) if so, the details thereof; and

(c) what is the current hydro power generation per annum and what is its projection by end of the Eleventh Five Year Plan?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) and (b) While there is no separate proposal for creation of a hydro development fund, the Government has recently approved a new hydro policy which is expected to boost hydro power development in the country. The salient features of the said Policy are as under:

- The existing dispensation available to the Public Sector under the National Tariff Policy 2006, regarding exemption from tariff based bidding up to January, 2011, is also extended to private sector hydroelectric projects which obtain CEA's concurrence, sign PPAs with distribution licensees and achieve financial closure before January, 2011.